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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Financing of the United Nations Observer Mission in South Africa

Report of the Secretary-General

1. The present report contains (a) the financial performance of the United Nations Observer Mission in South Africa (UNOMSA) for the period from mid-September 1992 to 31 December 1993, and (b) the cost estimates for the period from 1 January to 31 July 1994. Included in these estimates are (a) proposals for the creation of a temporary post at the assistant secretary-general level for the Chief of Mission, (b) the addition of 50 additional posts to increase the number of observers to 100, and (c) the addition of 6 support staff. The total estimated cost of UNOMSA for 1992-1993 would be $13,106,100; and the requirements for the biennium 1994-1995 would be $8,994,100.

INTRODUCTION

2. The Security Council, by its resolution 772 (1992) of 17 August 1992, authorized the Secretary-General to deploy, as a matter of urgency, United Nations observers in South Africa, in such a manner and in such numbers as he determined necessary to address effectively the areas of concern noted in his report to the Security Council (S/24389) in coordination with the structures set up under the National Peace Accord. The Council also invited the Secretary-General to assist in the strengthening of the structures set up under the National Peace Accord in consultation with the relevant parties: (a) the National Peace Committee, (b) the Goldstone Commission, and (c) the National Peace Secretariat. These areas of concern include efforts to bring an effective end to public violence and intimidation, and to help to create a climate conducive to negotiations leading towards a peaceful transition to a democratic, non-racial and united South Africa.

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3. On the basis of his mandate, the Secretary-General established UNOMSA, in mid-September 1992, with a total strength of 63 international staff, comprising 50 observers and 13 support staff. Under the authority granted to him under General Assembly resolution 46/187 on unforeseen and extraordinary expenses for 1992-1993, he authorized commitments of up to $1,000,000 for the initial phase of the Mission from mid-September to 30 November 1992. Subsequently, he submitted revised estimates to the General Assembly (A/C.5/47/79) and appropriations of $13,121,300 ($13,044,900 after recosting) were approved for the period from mid-September 1992 to 31 December 1993.

4. On 22 December 1992 the Secretary-General, in document S/25004, reported in detail to the Security Council, inter alia, on the findings of his Special Envoys and the activities of UNOMSA. In the report he also stated his intention to reinforce the Mission with an increment of 10 additional observers, which was subsequently authorized by the Security Council (S/25315) on 14 February 1993. Since then, events in South Africa have moved at a rapid pace and it is increasingly becoming clear that most political parties are committed to elections for a constituent assembly, now planned for 27 April 1994. On 29 September 1993, the Secretary-General requested the Security Council to authorize a further increase of 40 in the number of observers, for a total complement of 100, to reinforce security and stability in the country during this transitional period (S/26558), to which the Security Council agreed (S/26559).

5. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) requested the Secretary-General to submit to the Committee a performance report on the Mission (see A/C.5/47/SR.50), including actual expenditures from its inception and revised requirements for 1993, taking into account the developments in the region. On 6 July 1993, the Secretary-General submitted to ACABQ a performance report on UNOMSA, including projected requirements through 31 December 1993. In his report, the Secretary-General also proposed some changes within the overall approved appropriation, namely the upgrading of the posts of Head of Mission and Deputy Head of Mission to the Assistant Secretary-General and D-2 levels respectively and the creation of temporary posts (10 P-5) for the 10 additional observers agreed to by the Security Council. ACABQ took note of the report but was unable to concur with the proposed upgradings based on the justification provided at that time; and furthermore, as regards the 10 additional observers, the Committee pointed out that the requirements of the Mission, including posts, were financed from the regular budget of the United Nations in accordance with the provisions of General Assembly resolution 47/219, part XIX. Accordingly, any increase in the number of posts must be approved by the General Assembly.

I. FINANCIAL PERFORMANCE REPORT OF THE UNITED NATIONS OBSERVER MISSION IN SOUTH AFRICA FOR THE PERIOD FROM MID-SEPTEMBER 1992 TO 31 DECEMBER 1993

6. Annex I to the present report sets out by budget line the current appropriation for UNOMSA through 31 December 1993 ($13,044,900) and the estimated expenditures for the period from mid-September 1992 to 31 December 1993 ($13,106,100), and the balance of the appropriation as at

31 December 1993. Annex II contains supplementary information. Annex III sets out the actual and proposed deployment of personnel in 1993.

7. It will be noted that, owing to late deployment of international staff and observers, much of the additional cost could be accommodated within the initial appropriation. Other economies have also been realized, in particular as a result of the unexpected drop in mission subsistence allowance (MSA) rates. Whereas the initial estimate was based on an established rate of $143 (or 400 rand), current MSA rate is established at $123 (420 rand) for the first 30 days and $90.90 (310 rand) thereafter.

8. The Secretary-General obtained the approval of the Security Council for a total of 50 additional observers on the basis of the increased demands on UNOMSA to play an even more pivotal role in the negotiations between disparate factions and in laying the groundwork for a non-violent election process, following the multi-party agreement to install the Transitional Executive Council. The two-person UNOMSA observer teams were experiencing difficulty in servicing the local peace committees, whose number increased from 23 to 120 in less than one year. The distances between townships and cities are enormous, thus inhibiting the teams' ability to extend effective support to the peace structures to assist them in establishing and maintaining a culture of political tolerance and reducing violence. The additional observers will be deployed as follows: two additional teams in each of the following nine regions - Western, Northern and Eastern Capes; Western, Northern, Far Northern and Eastern Transvaals; Border/Ciskei and Orange Free State; and seven each in Durban and Johannesburg. The total of 100 observers could also serve as the core of a possible expanded United Nations presence during the electoral period.

9. UNOMSA's central role in the evolving political process in South Africa invariably requires political negotiations and consultations up to the highest levels. In recognition of this important role, the Secretary-General proposes to create as of 1 November 1993 a temporary post at the assistant secretary-general level for the Chief of Mission and for her Deputy to occupy the post at the D-2 level. This would provide a more suitable level of representational authority on behalf of the Secretary-General and would signify to the Government and people of South Africa that he attaches the same importance to UNOMSA as his other initiatives in peace-keeping and preventive diplomacy.

10. The third most senior position at UNOMSA is that of the Senior Adviser/Observer, who assists both the Head and Deputy Head of Mission in overall coordination matters and also acts as special adviser on political and other matters. It is proposed to provide for this official the post at the D-1 level currently occupied by the Deputy Head of Mission.

11. It is further proposed that 10 observer posts be established at the P-5 level to reflect more accurately the actual functions and responsibilities of the various posts, whose incumbents clearly perform at the senior Professional level; namely political adviser/observer, regional coordinator/observers, and area coordinator/observers.

12. The political adviser/observer provides political advice to the Chief of Mission, coordinates work of researchers and organizes special activities/seminars with South African academic/research institutions for the

benefit of UNOMSA, prepares analytical summaries from reports compiled by regional coordinators and assists the Chief of Mission in the preparation of periodic consolidated reports to the Under-Secretary-General for Political Affairs. The multi-regional or regional coordinator/observer is responsible for coordinating the work of observer teams in three to four different regions and in particular coordinates crisis intervention on a regional basis. In this function, the regional coordinator/observer interacts with regional and national officials of political parties, senior officials of the South African Police, South African Defence Force and other organizations at national and regional levels. The area coordinator/observer coordinates the activities of all UNOMSA teams in a particular area. In contrast with regional or multi-regional coordinators, who deal with whole regions, area coordinators cover smaller areas of the country that are nevertheless highly active politically. There are two such area coordinator/observers, one in the Witwatersrand/Vaal area and the other at the Natal/Kwazulu area.

13. Six additional staff would provide administrative and secretarial support to the mission as a whole: one Administrative Officer, two Field Service assistants and three General Service (Other level) staff, as a result of the increase in the size of the Mission.

II. COST ESTIMATE OF THE UNITED NATIONS OBSERVER MISSION IN SOUTH AFRICA (UNOMSA) FOR THE PERIOD FROM 1 JANUARY TO 31 JULY 1994

14. Activities in the early part of 1994 will focus primarily on the elections to be held on 27 April. The phasing out of the Mission will commence in May and is expected to be completed by the end of July 1994. The proposed estimates relate only to the requirements of the Mission prior to and after the election, without taking into account possible additional electoral requirements. Should relevant decisions be made concerning specific additional electoral requirements, and/or the extension of the Mission beyond 31 July 1994, the Secretary-General would seek the concurrence of ACABQ to enter into related commitments under the terms of the General Assembly resolution to be adopted on unforeseen and extraordinary expenses for the biennium 1994-1995.

15. Annex IV to the present report contains the cost estimates for 1994, totalling $8,994,100, and the relevant supplementary information is contained in annex V. Annex VI sets out the plan for the phasing out of the Mission between May and July 1994.

16. Accordingly, an additional appropriation of $8,994,100 will be required under Section 4 of the proposed programme budget for the biennium 1994-1995 1/ to cover the costs of UNOMSA up to 31 July 1994. Furthermore, an appropriation of $1,324,300 will be required under section 28 (Staff assessment), which would be offset by the same amount under income section 1 (Income from staff assessment).

III. CONTINGENCY FUND

17. Annex I to General Assembly resolution 41/213 of 19 December 1986, which sets out the budget process, provides, inter alia, that:

> "the revised estimates arising from the impact of extraordinary expenses, including those relating to the maintenance of peace and security, as well as fluctuations in rates of exchange and inflation, shall not be covered by the contingency fund and shall continue to be treated in accordance with established procedures and under the relevant provisions of the Financial Regulations and Rules". (para. 11)

18. The Secretary-General is of the view that while not directly related to the maintenance of peace and security, the activities outlined above nevertheless are of an extraordinary nature and should thus be dealt with outside the procedures related to the contingency fund, as provided for in paragraph 11 of annex I to General Assembly resolution 41/213, as was the case for the biennium 1992-1993.

IV. SUMMARY

19. In summary, the estimated costs of UNOMSA for the period from mid-September 1992 to December 1993 would be $13,106,100 against an appropriation of $13,044,900. Therefore, based on these estimates, the additional requirement of $61,200 will be reflected in the second performance report under Section 2 of the programme budget for 1992-1993.

20. An additional amount of $8,994,100 will be required under Section 4 of the proposed programme budget for the biennium 1994-1995 to cover the costs of UNOMSA up to 31 July 1994, excluding provisions for staff assessment in the amount of $1,324,300 under Section 28 (Staff assessment), which would be offset by the same amount under income Section 1 (Income from staff assessment).

Notes

1/ Official Records of the General Assembly, Forty-eighth Session, Supplement No. 6 (A/48/6).

Annex I

UNITED NATIONS OBSERVER MISSION IN SOUTH AFRICA:
PERFORMANCE REPORT FOR 1992-1993

Summary statement

(In thousands of United States dollars)

Object of expenditure	Appropriation 1992-1993	Total requirements September 1992-31 December 1993	Savings (overrun) as of 31 December 1993
Salaries	4 654.7	5 040.6	(385.9)
Common staff costs	2 540.7	2 442.1	98.6
Mission subsistence allowance	3 872.6	3 875.8	(3.2)
General temporary assistance	255.3	119.1	136.2
Consultants	45.0	15.7	29.3
Travel of staff	189.2	98.2	91.0
Rental and maintenance of premises	121.8	156.4	(34.6)
Vehicle operation	253.0	531.4	(278.4)
Rental of aircraft	155.6	55.3	100.3
Communications	130.9	248.7	(117.8)
Public information activities	44.4	11.3	33.1
Miscellaneous services	39.0	44.8	(5.8)
Freight and related costs	4.9	4.9	-
Miscellaneous supplies	83.4	90.5	(7.1)
Acquisition of vehicles	347.3	-	347.3
Acquisition of communications equipment	169.7	166.3	3.4
Acquisition of office furniture and miscellaneous equipment	137.4	205.0	(67.6)
Total	13 044.9	13 106.1	(61.2)

Annex II

SUPPLEMENTARY INFORMATION

Salaries and common staff costs

International staff

1. Shown below are the current authorized international staffing table and the proposed revised staffing table, incorporating the increase of 50 additional observers and the changes in the distribution of grade levels. a/

Functional title	Category	Authorized
Current staffing table		
Chief of Mission	D-2	1
Deputy Chief of Mission	D-1	1
Observers	P-4	50
Field Service support staff	FS	3
Personnel assistants/secretaries	GS	5
Total, international staff		60
Proposed staffing table		
Chief of Mission	ASG	1
Deputy Chief of Mission	D-2	1
Senior Adviser/Observer	D-1	1
Observers	P-5	10
Observers	P-4/3	89
Administrative Officer	P-4	1
Field Service support staff	FS	5
Personnel assistants/secretaries	GS	8
Total, international staff		116

2. At the end of December 1993, the total number of 116 international staff is expected to be fully deployed. Additional costs arising from the revision of the staffing table are largely offset by savings from the late deployment of staff and occupancy of several posts at a lower than budgeted level, as well as a lower than anticipated rate of mission subsistence allowance.

Salaries and common staff costs (Increase: $290,500)

3. The estimated expenditure as at end-December 1993 is $5,040,600, which is below the initial estimates owing, as mentioned earlier, to the late deployment of staff. Common staff costs include mission subsistence allowance, travel to and from the mission area and other normal staff costs.

General temporary assistance (Decrease: $136,200)

4. The provision under this heading would cover the cost of hiring about 29 local staff. Full deployment has not been effected and on average only 14 such staff have been employed. Based on the expenditure pattern of the last several months and assuming full deployment by November 1993, the total projected requirement for 1993 would be $119,100.

Consultants (Decrease: $29,300)

5. A reduced amount of $15,700 would be required through the end of 1993, of which $5,700 had been committed prior to September. The services of consultants are required in electoral and constitutional matters.

Travel on official business (Decrease: $91,000)

6. Total estimated expenditure through December 1993 is $98,200, which relates to travel between the mission headquarters in Johannesburg and Durban and the regional offices, as well as travel between New York and the mission area for briefings and consultations.

Rental and maintenance of premises (Increase: $34,600)

7. The headquarters at Johannesburg and Durban are located in leased office space. The estimated costs would cover rental, utilities, maintenance and alterations. An additional requirement of $34,600 over the initial estimates is anticipated, partially as a result of the need to provide for the additional observers, as well as to relieve the cramped office conditions at Johannesburg.

Vehicle operation (Increase: $278,400)

8. Thirty-five vehicles are currently leased at a monthly rate of $25,000. No vehicle has been purchased, although initial provisions were made for the purchase of 35 vehicles in 1993, in addition to provisions for rental of 35 vehicles. The total estimated expenditure of $531,400 as of end-December will cover the costs of rental, maintenance and petrol, oil and lubricants. The estimate includes provisions for rental of an additional 10 vehicles for the new observers.

Rental of aircraft (Decrease: $100,300)

9. A provision of $155,600 was made for rental of light fixed-wing aircraft and/or helicopters for travel within South Africa. As activities pick up in the last four months of the year, it is expected that about 15 hours of flying time per month will be required, including possible medical evacuation flight requirements. An approximate savings of $100,300 may therefore be anticipated.

Communications (Increase: $117,800)

10. Requirements for telecommunications and pouch services have been underestimated, considering the need for the constant flow of information between the 11 posts in the mission area. Projected requirements through end-December total $248,700. Therefore, an additional $117,800 would be needed to cover communications requirements.

Public information activities (Decrease: $33,100)

11. Public information activities so far undertaken did not require expenditures under this item; however various public information activities are expected to pick up during the four-month period. An estimated amount of $11,300 would cover the requirements.

Miscellaneous services (Increase: $5,800)

12. The estimated total requirement of $44,800 would cover medical, cleaning and other miscellaneous services. The additional requirement of $5,800 relates to the additional observers and support staff.

Freight and related charges

13. The provision covered requirements for freight, packing and cartage.

Miscellaneous supplies (Increase: $47,100)

14. The provision under this item of expenditure covers the cost of office supplies, United Nations flags and decals, operational maps, medical supplies and other miscellaneous supplies. The security and safety situation calls for additional safeguards; it is proposed to provide the mission with 60 bullet-proof vests and helmets at about $500 a set.

Acquisition of vehicles (Decrease: $347,300)

15. Owing to the right-hand drive traffic regulations in South Africa and the costs of maintenance, spare parts and insurance associated with the acquisition of vehicles, the Mission decided to rent its regular vehicles, instead of purchasing them as originally planned.

Acquisition of communications equipment (Decrease: $3,400)

16. Expenditures on communications equipment include the purchase of crypto-fax machines, portable radios and control printers. The communications system will need strengthening and provisions will have to be made for the additional observers.

Acquisition of office furniture and equipment (Increase: $67,600)

17. The acquisition of office furniture and equipment, particularly office automation equipment, is vital to the functioning of the Mission. Total requirements for the period through end-December for personal computers lap-tops, printers, computers, and other office furniture and equipment, including an estimated additional requirement of $25,000 for new observers and support staff, would be $205,000.

Notes

a/ See actual and projected deployment plan in annex III.

Annex III

ACTUAL AND PROJECTED DEPLOYMENT OF CIVILIANS
Period January-December 1993

	Authorized strength	Months												Total person-months
		1	2	3	4	5	6	7	8	9	10	11	12	
USG														
ASG												1	1	2
D-2	1	1	1	1	1	1	1	1	1	1	1	1	1	12
D-1	1	1	1	1	1	1	1	1	1	1	1	1	1	12
P-5		2	2	2	3	3	3	3	3	3	3	3	10	40
P-4	50	21	21	21	15	17	17	17	19	21	21	21	42	253
P-3		14	14	14	16	19	18	19	21	21	17	17	42	232
P-2		5	4	5	5	6	5	4	4	4	3	4	4	53
LT-1		1	1	1										3
Subtotal P and above	52	45	44	45	41	47	45	45	49	51	46	48	101	607
OTHER CATEGORIES														0
General Service principal														0
General Service	5	7	7	6	7	7	7	8	7	6	6	8	8	84
Field Service	3	8	5	5	5	5	8	10	10	10	9	7	7	89
Security Service		4	4	3	2	2	2	2	2	1	1			23
Local level	29	12	13	13	13	16	18	11	13	14	14	14	29	180
Subtotal, other categories	37	31	29	27	27	30	35	31	32	31	30	29	44	376
Total civilian	89	76	73	72	68	77	80	76	81	82	76	77	145	983
CONSULTANTS														0
CONTRACTUAL STAFF														0
GRAND TOTAL	89	76	73	72	68	77	80	76	81	82	76	77	145	983

Annex IV

COST ESTIMATE FOR THE PERIOD FROM 1 JANUARY TO 31 JULY 1994

(In thousands of dollars)

Object of expenditure	Cost estimates
Salaries, temporary posts	3 495.3
Common staff costs	1 933.4
Mission subsistence allowance	1 622.2
General temporary assistance	191.8
Consultants	40.0
Travel of staff	130.0
Rental and maintenance of premises	169.8
Vehicle operation	336.3
Rental of aircraft	143.0
Communications	200.3
Miscellaneous services	52.0
Freight and related costs	20.0
Public information supplies	45.0
Other supplies and materials	65.0
Acquisition of vehicles	420.0
Communications and other equipment	130.0
Total	8 994.1

Annex V

SUPPLEMENTARY INFORMATION ON THE COST ESTIMATES FOR THE PERIOD FROM 1 JANUARY TO 31 JULY 1994

(In thousands of dollars)

	Estimated cost
A. Personnel costs	7 050.9

The requirements for personnel costs are based on the deployment plan contained in annex VI. The total estimated cost of $7,050,900 consists of salaries ($3,495,300), common staff costs, including travel to and from the mission area ($1,933,400); and MSA ($1,622,200).

General temporary assistance	191.8

An additional 31 local staff will be required between January and April as drivers and interpreters, to raise the total to 60. The number will be reduced to 30 in May, 15 in June and 10 in July. The monthly salary is estimated at an average cost of $650.

Consultants	40.0

UNOMSA requires the services of experts in matters dealing with the Constitution and the upcoming election. In some cases outside expertise is needed by the Mission when it is requested to provide assistance to the Goldstone Commission and the Transitional Executive Committee.

Travel on official business	130.0

The provision would cover travel costs between the mission headquarters in Johannesburg and Durban and the regional offices, as well as travel between New York and the mission area for briefing and consultations.

	Estimated cost
B. Operational costs	
Rental and maintenance of premises	169.8

The provision of $169,800 would cover the cost of rental of office space at Johannesburg and Durban, and for temporary office space for the observers during the election period, including maintenance and utilities.

Vehicle operation	336.3

The estimated provision would cover rental costs for 35 vehicles currently on lease, including fuel and maintenance, based on the pattern of expenditure in 1993. It is also foreseen that an additional 15 vehicles would be required during the election period at an estimated cost of $96,000, including fuel and maintenance.

Rental of aircraft	143.0

The estimated cost of renting light fixed-wing aircraft and/or helicopters for travel within South Africa, including insurance, is $143,000. The requirements are for medical evacuation, enhanced monitoring activities and shuttle diplomacy efforts between Cape Town and Johannesburg.

Communications	200.3

In this period the bulk of communications costs, especially during the election, will be in the form of pouch services and other commercial communications.

Miscellaneous services	52.0

Provisions are made for medical, cleaning and other miscellaneous services.

Freight and related charges	20.0

An estimated amount of $20,000 will be required for freight, packing and cartage for shipment of personnel effects.

	Estimated cost
Public information activities	45.0

It is anticipated that, as the electoral activities move at a faster pace, more public information work will be required, including production and dissemination of information on UNOMSA's role in South Africa through various media.

Other supplies and materials	65.0

The requirements include stationery and office supplies, United Nations flags and decals, operational maps and other miscellaneous supplies.

Acquisition of vehicles	420.0

It is proposed to purchase six armoured vehicles at an estimated cost of $420,000. Vendors are not willing to enter into leasing arrangements. The acquisition of armoured vehicles (Mamba-7) is proposed to enable the Mission to fulfil its mandate of fact-finding and close observation of conflict in order to assist in mediation efforts especially in violence-torn areas primarily in the East Rand and Vaal and in areas of Natal/Kwazulu.

Communications and other equipment	130.0

The requirements include repeaters, mobile Intelsat, telephone exchanges and mobile radios; as well as security and safety equipment. An amount of $50,000 is provided for additional office furniture and miscellaneous equipment that will be required during the election period.

Total	8 994.1

Annex VI

PLANNING TABLE - PROPOSED PHASING OF CIVILIANS

Period January-July 1994

	PROPOSED STRENGTH	MONTHS												TOTAL PERSON MONTHS
		1	2	3	4	5	6	7	8	9	10	11	12	
PROFESSIONAL AND ABOVE														
USG														-
ASG	1	1	1	1	1	1	1	1						7
D-2	1	1	1	1	1	1	1							6
D-1	1	1	1	1	1	1	1							6
P-5	10	10	10	10	10	10	9	6						65
P-4	90	42	42	42	42	20	20	3						211
P-3		42	42	42	42	14	14							196
P-2		4	4	4	4	4	4							24
Subtotal P and above	103	101	101	101	101	51	50	10						515
OTHER CATEGORIES														-
General Service Principal														-
General Service	8	8	8	8	8	8	6	6						52
Field Service	5	7	7	7	7	7	6	3						44
Security Service														-
Local level	60	60	60	60	60	30	15	10						295
Subtotal, other categories	73	75	75	75	75	45	27	19						391
Total civilian	176	176	176	176	176	96	77	29						906
CONSULTANTS														-
CONTRACTUAL STAFF														-
Grand total	176	176	176	176	176	96	77	29	0					906

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Agenda item 123

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Office accommodation in Geneva

Report of the Secretary-General

INTRODUCTION

1. The issue of space at the United Nations Office at Geneva has become critical. Departments and offices, such as the Department for Humanitarian Affairs and the Centre for Human Rights, have immediate requirements owing to their increased level of activities. Additionally, the transfer to Geneva of staff associated with the transnational corporations, science and technology for development and the International Conference on the Former Yugoslavia, has exacerbated the pressure on the current facilities at Geneva. Requirements for new space, submitted by other existing offices within the United Nations Office at Geneva, have also been identified and their needs verified by the Office of General Services. There simply is no possibility of coping with the many valid requests for office space which are being received from the many United Nations entities operating at Geneva without an expansion in the overall space available.

2. This report will attempt to address the existing space allocation problems, including the immediate and long-term requirements for space by the various United Nations organizations; detail already planned movements of United Nations organizations based on existing and approved space; and provide a suggested course of action to alleviate the space shortages outlined, including the estimated cost implications.

3. Part of the short-term space requirements of the United Nations Office at Geneva can be met by planned renovations to existing structures. The ability to meet the full estimated space requirements, however, depends on the provision of additional space by the Swiss authorities, with whom discussions have been undertaken.

4. Even with the proposals set forth in this document to cover immediate requirements, it is evident that additional longer-term requirements exist. The Swiss authorities have requested the United Nations Office at Geneva to provide them with a description of anticipated needs both in the short and long term. This information has been provided to them for their review and further discussions should follow.

I. EXISTING OFFICE SPACE AND REQUIREMENTS FOR ADDITIONAL SPACE

5. The current situation of offices with urgent requirements for office space is summarized in the table below:

	Current allocation	Additional requirement (Square metres)	Total requirement
(a) Department for Humanitarian Affairs	2 683	567	3 250
(b) Centre for Human Rights	2 378	1 672	4 050
(c) Joint Inspection Unit	700	313	1 013
(d) Two units of the Department for Policy Coordination and Sustainable Development	429	2 098	2 527
(e) International Conference on the Former Yugoslavia		1 276	1 276
(f) United Nations Conference on Trade and Development (UNCTAD) (new units)		940	940
(g) United Nations Compensation Commission	740	1 560	2 300
(h) United Nations Children's Fund (UNICEF)	3 315	785	4 100
(i) Commission of Experts (Established by Security Council resolution 780 (1992))		160	160
(j) Additional requirements for other existing offices		1 300	1 300
TOTAL	10 245	10 671	20 916
Required by September 1994			
Owing to partial demolition of Petit-Saconnex			2 000 a/
Required in the long term			
Owing to total demolition of Petit-Saconnex complex		5 500	5 500
GRAND TOTAL		16 171	28 416

a/ This space requirement is due to be offset by an equivalent surface which will be available at the William Rappard Centre upon the departure of the Office of the United Nations High Commissioner for Refugees (UNHCR).

The details of these requirements are shown below:

(a) The Department for Humanitarian Affairs presently occupies 1,783 square metres in the Palais des Nations and 900 square metres at the Petit-Saconnex for a total of 2,683 square metres. Its units are scattered throughout the buildings. According to the request made by the Department, the present total requirements amount to 3,250 square metres;

(b) The Centre for Human Rights which occupies 2,378 square metres in the Palais, has a requirement for additional space for its increased activities and staff. Moreover, the Centre has repeatedly expressed the urgent need for space for a library and documentation centre. The total space required to house the entire activity of the Centre is 4,050 square metres;

(c) The Joint Inspection Unit has moved, effective 1 September 1993, to the Geneva Executive Centre. It had occupied 700 square metres on the fifth floor of the "D" building. The space which they have vacated in the Palais will be made available to the Centre for Human Rights;

(d) Two units of the Department for Policy Coordination and Sustainable Development, namely the secretariats of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change and the Committee to Combat Desertification, will be completely relocated to Geneva. All staff will be accommodated in the premises of the United Nations Office at Geneva and will require 2,527 square metres. It is currently occupying 429 square metres at the Petit-Saconnex;

(e) The International Conference on the Former Yugoslavia has been installed at the Palais on an ad hoc basis. Space has been allocated to the Conference by compressing other units and by placing their personnel in space usually reserved for conferences. Replacement space amounting to 1,276 square metres is needed;

(f) The United Nations Conference on Trade and Development, Geneva, now includes support staff for science and technology for development and for transnational corporations (from the former Department for Economic and Social Development), representing an increase in staff of 47 persons. This figure does not include other extrabudgetary staff; in other words, at least 60 people will be in need of office space amounting to approximately 940 square metres of additional space;

(g) The Secretariat of the United Nations Compensation Commission is installed in the villa "La Pelouse", where it occupies 740 square metres. By the end of 1993, its staff will have increased in number from 21 to 48 with the total reaching 60 staff members during 1994. Furthermore, the number of files for applications for compensation has already reached 780,000 and is increasing, which means that a large area for the storage and management of these documents will be required. An additional area of some 1,560 square metres of office space is needed to provide the Commission with proper facilities for its work;

(h) UNICEF presently rents a total area of 3,315 square metres from the United Nations Office at Geneva at the Petit-Saconnex. Owing to the increased

number of staff and expanded commercial operations, UNICEF now has a total requirement of 4,100 square metres;

(i) The Commission of Experts established pursuant to Security Council resolution 780 (1992), established in 1992, is housed in the Palais at the expense of other units which have been relocated on a temporary basis into space reserved for conferences or compressed into other smaller areas. Replacement space amounting to 160 square metres is needed;

(j) Apart from the requirements attributed to newly arrived offices and current expanding activities, other units, such as the United Nations Institute for Disarmament Research (UNIDIR), the United Nations Volunteers and various administrative services, have filed requests for office space representing a total of some 1,300 square metres.

6. In the longer run, a part of the Petit-Saconnex complex, equivalent to some 2,000 square metres, will have to be vacated by September 1994 as the Swiss authorities intend to demolish it. As a result, an additional 2,000 square metres will be required by that date. It is anticipated, however, that the relocation of the High Commissioner for Refugees from the Centre William Rappard to the Montbrillant building in early 1994, will make an equivalent space available for the United Nations Office at Geneva at the Centre. Finally, the remainder of the Petit-Saconnex offices will also have to be surrendered to the Swiss authorities, at a date not yet defined but in any case not before 1998, thus resulting in an additional 5,500 square metres required by that time.

II. PROPOSALS TO DEAL WITH SPACE REQUIREMENTS

7. As a result of negotiations carried out with the Swiss authorities, some space has been made available at the Geneva Executive Centre, a building managed by the Fondation des immeubles pour les organisations internationales, (FIPOI). The Geneva Executive Centre is located on Avenue du Pailly, 5 minutes from the airport and 15 minutes from the downtown area of the city. The total area for office space is 13,504 square metres.

8. Of the above area, a total of 6,416 square metres has been made available by FIPOI to the United Nations Office at Geneva for its immediate space requirements. Of this area and as a result of negotiations with the Swiss authorities, 1,276 square metres can be made available free of charge as a replacement for space currently occupied by the International Conference on the Former Yugoslavia in the Palais des Nations. In addition another 2,527 square metres for the installation of the units of the Department for Policy Coordination and Sustainable Development can also be made available free of charge. The remaining additional space of 2,613 square metres has been made available at a privileged rental rate (including charges) of SwF 268 per square metre per year (SwF 243 for rental and SwF 25 for charges). This rate is approximately half the prevailing commercial rates of SwF 500 per square metre per year.

9. In addition to the above space that can be made available to the United Nations, 5,574 square metres are currently occupied by the United Nations Environment Programme (UNEP).

10. Of the total area of 3,803 square metres, 1,013 square metres have been occupied by the Joint Inspection Unit since 1 September 1993. It is proposed that an additional 2,527 square metres be used for the installation of the units of the Department for Policy Coordination and Sustainable Development, thus leaving 263 square metres of space free of charge still to be assigned.

11. The area of 2,613 square metres that would be provided at a privileged rental rate would accommodate some of the offices that require additional space.

12. The relocation/consolidation of the Department for Policy Coordination and Sustainable Development in the Geneva Executive Centre would thus vacate space in the Petit-Saconnex (429 square metres), which would be allocated to the Department for Humanitarian Affairs, thus solving most of their total additional needs of 567 square metres. UNICEF's requirements of 4,100 square metres could be accommodated by using 2,000 square metres available at the Geneva Executive Centre at a concessional rent and retaining 2,100 square metres at the Petit-Saconnex. UNICEF's total requirement would therefore be fulfilled. At the same time, their release of some 1,215 square metres at the Petit-Saconnex would provide rent-free space which could then be allocated to the units for science and technology for development and transnational corporations, the Department for Humanitarian Affairs remaining needs and part of the growth of other existing offices. UNICEF would be charged the privileged rental rate at the Geneva Executive Centre.

13. However, it is evident that splitting UNICEF between two locations is not the optimal solution and discussions will continue with the Fund and with the Swiss authorities on a longer term solution and on whether to proceed in this manner in the meantime. Alternative uses for the space at the Geneva Executive Centre are also being explored.

14. In order to implement the proposals outlined above, alteration work will need to be carried out on the following buildings:

(a) Remodelling at the Petit-Saconnex

It is proposed to remodel the premises formerly occupied by UNEP following its move to the Geneva Executive Centre;

(b) Remodelling of the ground floor in the "D" building and relocation of workshop;

In the light of the increased activities of the human rights programme, provision of additional space as well as the establishment of a research and documentation centre has become necessary. It is proposed to convert the craftsmen's workshop, 320 square metres, into office space to be made available to the Centre for Human Rights. The remodelling of the ground floor in the "D" building with the consequent relocation of the workshop would be a more rational use of available space within the existing Palais buildings. However, this

will entail remodelling of the operations, such as alterations to partitions and floors, painting, electrical installations and cable-laying;

(c) Rehousing of workshop

In order to recover the space occupied by the workshop on the ground floor of the "D" building and rehouse the workshop, a large construction shed would need to be erected;

(d) La Pelouse

At the request of the United Nations Compensation Commission, a survey was made to explore the possibility of using the La Pelouse annex and converting the facility into office space. This would result in the availability of an additional 1,560 square metres of space to be placed at the disposal of the Commission which, on the expiry of the Commissions's mandate, would return to the United Nations Office at Geneva. The financing of the work would be covered by the United Nations Compensation Commission. At the end of 1994, if the work on remodelling the La Pelouse annex is carried out as requested, the Commission will have its required space of 2,300 square metres.

15. As mentioned in paragraph 5 of the present document, the total additional square metres of space required in the near term is 10,671 square metres, most of which would be met through implementation of the following proposed plans:

(a) Occupying 6,416 square metres within the Geneva Executive Centre;

(b) Renovating 1,560 square metres of the La Pelouse annex;

(c) Remodelling for relocation and consolidation of the offices on the ground floor of the "D" building at the Palais and related construction of a shed measuring 320 square metres for the workshops.

As a result of all the above actions, an additional 8,296 square metres will have been made available thus leaving a shortfall of 2,375 square metres as follows:

	Square metres
Total immediate requirement	10 671
Less: Space available at the Geneva Executive Centre	(6 416)
Remodelling the "D" building	(320)
Remodelling the La Pelouse annex	(1 560)
Remaining requirements	2 375

16. On or after 1998 additional square metres totalling 5,500 may be required owing to the expected complete demolition of the Petit-Saconnex premises. It is anticipated that as a part of the ongoing process of negotiations with the Swiss authorities, additional office space would be made available when required. The Secretary-General would propose to report further to the General Assembly on this process of negotiation as appropriate.

17. These proposals will have an immediate impact on the regular budget. Over the longer run, however, they will realize substantial savings compared with the only feasible alternative, which is commercial renting of additional space. Over a five-year period, the estimated costs of renting 3,803 square metres (i.e. space made available free of charge at the Geneva Executive Centre) of office space at commercial rates (SwF 500 per square metre per year), would amount to approximately $6 million. Additionally, as regards the 2,613 square metres to be provided for at privileged rental rates (estimated at SwF 268 per square metre per year versus SwF 500 per square metre per year for commercial rates), a savings of approximately $2 million would be realized over a five-year period if the United Nations opts to accept this privileged rate from the Swiss authorities rather than commercial leasing. In either case, costs such as security and cleaning services would accrue whatever space was secured.

III. FINANCIAL IMPLICATIONS FOR THE REGULAR BUDGET

18. Based on the proposals described above, the non-recurrent financial implications for the remainder of the regular budget of the United Nations is estimated as follows:

	1993 (United States dollars)
(a) Geneva Executive Centre (installation/remodelling)	546 000
(b) Petit-Saconnex remodelling	200 000
(c) "D" building ground floor renovations	157 300
(d) Rehousing workshops (construction)	595 000
(e) La Pelouse annex (renovations at an estimated cost of $2.4 million would be borne by the United Nations Compensation Commission)	
Total	1 498 300

19. The estimated cost of remodelling the space to be occupied in the Geneva Executive Centre is $546,000. Negotiations have been carried out with the Swiss Government and an agreement has been reached whereby the Swiss Government would

meet the costs of the installation work at the Geneva Executive Centre or undertake such remodelling work themselves up to the total of $546,000. Therefore, the non-recurrent installation costs at the Geneva Executive Centre would be free of charge to the United Nations.

20. As regards the remaining requirements for the other three projects, that is the Petit-Saconnex remodelling ($200,000), the "D" building renovations ($157,000) and the rehousing of the workshops ($595,000) the total estimated costs are projected at $952,300. It is anticipated, even at this stage in the biennium, that some of this amount could be met through savings projected under section 35, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 1992-1993.

Recurrent requirements in 1994-1995

21. As far as the costs for maintenance of premises as a result of the relocation of offices to the Geneva Executive Centre are concerned, additional operating costs will be incurred in 1994-1995. These costs are estimated at $1,354,000 as shown below and have been included in section 25H, Administration and management, United Nations Office at Geneva, of the proposed programme budget for biennium 1994-1995:

(a) Two General Service (Other level) posts to perform the functions of telephone operator and telephone technician/system operator;

(b) An amount of $180,000 for general temporary assistance and overtime for security arrangements;

(c) An amount of $872,200 for general operating expenses, broken down as follows:

(i) $230,000 for utilities (electricity, water, fuel);

(ii) $436,200 for rental of telephone lines, maintenance and traffic;

(iii) $206,000 for miscellaneous services (cleaning services and insurance).

IV. SUMMARY AND CONCLUSIONS

22. As a result of the critical office space situation in Geneva, additional accommodations have been located through the assistance of the Swiss authorities in a building called the Geneva Executive Centre. In addition, the United Nations Office at Geneva has identified other projects that would help to alleviate the current space problem. In this connection, the General Assembly may wish to approve the Secretary-General's proposal to accept the offer of the Swiss authorities of rent-free and concessional space at the Geneva Executive Centre. Although this will involve additional expenditure under the regular budget, it is clearly more favourable than the only available alternative of commercially rented facilities.

23. In addition, in order to provide for the renovation work to be carried out for both the Geneva Executive Centre and the other projects, resources amounting to $952,300 are required. It is proposed to use resources made available through the postponement and cancellation of certain alterations and renovations in the 1992-1993 programme budget, to the extent that some of the projects could be initiated before the end of the biennium. For those that cannot be initiated by the end of the current biennium, it is proposed to undertake a review of all projects proposed to be carried out in Geneva from 1994 to 1995 under section 30, Construction, alteration, improvement and major maintenance, of the proposed programme budget and to make adjustments accordingly.

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Agenda item 123

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

Construction of additional conference facilities at Addis Ababa and Bangkok

Report of the Secretary-General

INTRODUCTION

1. At its thirty-ninth session, the General Assembly, in sections III and XI of resolution 39/236 of 18 December 1984, approved the construction of additional conference facilities at the Economic Commission for Africa at Addis Ababa and a construction project for the expansion of conference facilities at the Economic and Social Commission for Asia and the Pacific (ESCAP) at Bangkok.

2. Following the suspension of the construction projects by decision 40/472 of 9 May 1986 of the General Assembly at its resumed fortieth session in 1986, work on those projects resumed in 1988, pursuant to General Assembly resolutions 41/213 of 19 December 1986 and 42/211 of 21 December 1987, which mandated the Secretary-General to proceed on both already approved projects on the basis of the scope of facilities as originally approved in sections III and XI of General Assembly resolution 39/236.

3. In accordance with resolution 39/236 annual progress reports have been submitted on both construction projects. The present report reviews the progress on the projects at Addis Ababa and Bangkok since the report that was submitted at the forty-seventh session (A/C.5/47/11).

I. EXPANSION OF THE CONFERENCE FACILITIES OF THE ECONOMIC COMMISSION FOR AFRICA AT ADDIS ABABA

A. Status and development of the project

4. Pursuant to General Assembly resolution 42/211, the project in Addis Ababa was resumed during 1988 and proceeded on the basis of the scope of facilities

originally approved and as subsequently reflected in the design developed by the winning architect/engineer firm selected during 1986, namely, one large plenary hall, one medium-size conference room in addition to the existing Africa Hall and four small conference rooms.

5. Results of the international tendering during 1990 were included in the report of the Secretary-General to the General Assembly at its forty-fifth session (A/C.5/45/53). The report indicated that the total cost of the construction project was estimated at 78,523,400 European currency units (ECU), or $107,576,900 and that the main construction contract was scheduled for completion in 1994. The General Assembly, in section X of resolution 45/248 A of 21 December 1990, took note of the report of the Secretary-General and requested him to proceed with the project in accordance with the revised timetable. The construction contract was signed on 22 February 1991. As was reported to the General Assembly at its forty-sixth session, the 36-month construction period commenced on 29 April 1991, but was interrupted almost immediately by a situation of force majeure.

6. The general status and development of the project and relevant aspects of the situation in Ethiopia through September 1992 were outlined in paragraphs 5 to 10 of the Secretary-General's report to the General Assembly at its forty-sixth session (A/C.5/46/22) and in paragraph 6 of the Secretary-General's report submitted at its forty-seventh session (A/C.5/47/11). The principal developments since that time are as follows:

(a) The situation whereby only one shipping line has been accepting direct commercial shipments from Italy to Assab has continued to prevail. The contractor reports that arrangements for advance bookings to ensure the regular flow of materials have been only partially successful and shipping problems have delayed some aspects of the work in the past year. Air shipment has been necessary in some cases. Accordingly it has been necessary for the contractor to accelerate procurement and establish buffer stocks to minimize construction delays due to unavailability of materials. Additionally the contractor is investigating options for transshipment from nearby ports as an alternative to unreliable direct shipment from Europe;

(b) The contractor reports that the situation with regard to commercial transport from Assab to Addis Ababa has stabilized and escorted convoys are no longer required.

Progress of construction

7. Since the preparation of the last report, the pace of work has continued at the level reached in 1992, but the contractor has been unable to achieve the higher production rates anticipated by his revised timetable.

8. In the past year the superstructure and installation of the precast concrete exterior panels have been completed. The space frames covering the two main conference rooms have been erected and covered with roof decking although problems have developed with the roofing membrane covering the space frames. Components for the large space frame over the central lobby area have been delivered to the site and erection will commence shortly. Installation of

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windows and roofing is progressing and the contractor anticipates that the building will be weather-tight by year-end. Some difficulties have been encountered in the installation of interior finishes and in the installation of mechanical and electrical systems owing to delays in arrival of various materials and insufficiency of skilled workers and technicians in key disciplines. Remedial measures have been taken by the contractor and he expects significant increases in production in these areas in the coming months. Structural work on the external works is progressing: the north car park and water reservoir have been completed, the south car park is approximately 60 per cent complete and foundations for the boiler room, the emergency generator room and the link bridges to the existing buildings are under way.

B. Project timetable

9. The contractor's latest timetable projects completion of construction in the fourth quarter of 1994, with commissioning completed by year-end. The consultants and the administration view this as very optimistic and consider that commissioning in the first half of 1995 would be more realistic. The contractor's workforce is now approximately 1,050 workers and double shift work is expected to commence shortly in selected trades.

C. Financial aspects

10. Despite various measures to compensate for difficulties, the contractor has not been able to increase his activities during the past year to meet planned disbursement levels. Owing to various shipping, organizational and coordination problems of the contractor and subcontractors, monthly production has been less than half of scheduled rates. The contractor nevertheless projects major increases in production by the end of 1993 and during 1994. The contractor projects completion in December 1994, which would make final payment due in 1995.

11. It will be recalled that the construction contract provides for an extension equal to any force majeure period, plus whatever additional period is required for normal operations to resume under specific circumstances. Discussions with the contractor are currently in progress on the question of the extension of the construction period resulting from the force majeure period as well as on the extent of compensation allowed under the terms of the construction contract for expenses of permanent staff and equipment idled during the force majeure period. The particulars of the contractor's claims for compensation for force majeure and other changed conditions were outlined in paragraph 10 of the Secretary-General's report to the General Assembly at its forty-seventh session (A/C.5/47/11) and paragraphs 2 and 3 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/47/7/Add.2). Further discussions towards resolving the claims in a constructive manner have not yet been concluded. In the meantime, it can be reported on the basis of discussions to date that the settlement of the claims is not expected to result in an increase in the 1990 estimate of the total project cost of $107,576,900.

II. EXPANSION OF THE CONFERENCE FACILITIES OF THE ECONOMIC AND AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC AT BANGKOK

A. Completion of the project

12. The project at Bangkok was resumed in 1988 pursuant to the terms of General Assembly resolution 42/211 on the basis of the scope of facilities originally approved and as reflected in the previously completed plans and specifications. Construction began in May 1989 and was completed in the first quarter of 1993, followed by an inauguration ceremony on 9 April. The guarantee period ends on 21 March 1994.

13. The building has already been designated as venue for a number of major conferences and a large number of smaller meetings:

March 1993	Regional preparatory meeting for the World Conference on Human Rights
April	Forty-ninth session of ESCAP
June	Regional meeting of the Asian Development Bank on financing environmentally sound development
October	Industrial development meeting on steel construction
November	Ministerial Conference on Urbanization; fifth meeting of Contracting Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer and third meeting of Contracting Parties to the Vienna Convention for the Protection of the Ozone Layer

B. Financial aspects

14. As reported to the General Assembly at its forty-sixth session, the revised project cost of the construction project at Bangkok was estimated at $48,540,000, namely $4,362,300 (9.87 per cent) over the amount of $44,177,700 approved in principle by the General Assembly in its resolution 39/236. With the approval of the General Assembly, this additional requirement was covered by interest earned on construction appropriations during and after the period of suspension, and no additional appropriation was required under the regular budget beyond the amount of $44,177,700 originally approved.

15. As of 31 August 1993 disbursements, not including retention, final payments and other obligations, amounted to $44,536,896. The final account of the construction contract, taking into account all remeasurements and variation orders, is now being prepared by the quantity surveyor. Following agreement of the final account with the contractor, release of remaining retention money and final payments to the contractor and consultants, it is expected that the total project cost will not exceed the amount $48,540,000 already authorized for the construction project at Bangkok.

III. CONCLUSION

16. No appropriations for the project at Bangkok will be required in 1994-1995. An appropriation of $17,241,900 has been requested under section 30 of the proposed programme budget for the biennium 1994-1995 for the expansion of conference facilities at Addis Ababa.

17. In accordance with General Assembly resolution 39/236, progress reports on both projects will be submitted to the Assembly annually until construction is completed.

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Agenda item 127

SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS

Letter dated 22 November 1993 from the Chargé d'affaires a.i. of the Permanent Mission of Yugoslavia to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the position of the Government of the Federal Republic of Yugoslavia on the scale of assessments for the apportionment of the expenses of the United Nations.

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly under agenda item 127.

(Signed) Dragomir DJOKIC
Ambassador
Chargé d'affaires a.i.

93-65348 (E) 241193 251193

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Annex

THE POSITION OF THE FEDERAL REPUBLIC OF YUGOSLAVIA ON AGENDA ITEM 127: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS

The Federal Republic of Yugoslavia has carefully studied the report of the Committee on Contributions. a/ We take note of the recommendations of the Committee that the present rate of assessment for the Federal Republic of Yugoslavia should be reduced by 0.02 per cent, which has been proposed as the rate of assessment for the former Yugoslav Republic of Macedonia.

Despite the proposed reduction of Yugoslavia's contribution to the United Nations budget, the new rate of assessment (0.14 per cent) does not adequately reflect the large-scale disruptions in the economic, social and humanitarian fields as a consequence of the crisis and war in the territory of the former Socialist Federal Republic of Yugoslavia, the devastating effects of sanctions on the economy and the gross national product of Yugoslavia as well as the economic burden of the more than 700,000 refugees who have found shelter in the Federal Republic of Yugoslavia.

According to World Bank data, the social product in the Socialist Federal Republic of Yugoslavia totalled 70 billion dollars in 1990, i.e. US$ 3,000 per capita. Owing to the negative trends, primarily because of the country's economic blockade, it is estimated that the per capita income in the Federal Republic of Yugoslavia will amount to US$ 200-250 at the end of 1993, with a further downward trend should the sanctions persist in 1994. Consequently, in 1993 the income in the Federal Republic of Yugoslavia has dropped below the poverty line by Western standards.

In addition to the drop in the social product, other macroeconomic aggregates also showed negative trends. Gross investments dropped in real terms at greater rates than the social product. As a direct consequence of the decrease of economic activity, the number of employed persons has also dropped by 15 per cent in 1992 compared to 1989. The unemployment rate in 1992 ran as high as 16 per cent of the total active population. On top of that, out of 2.2 million of those who still hold on to their jobs in mid-1993, 35 to 45 per cent have in effect been out of work. High price increases in 1992 evolved into hyper-inflation and amounted to 9,300 per cent by the end of the year. It is to be expected that by the end of 1993 the inflation will be expressed in millions that would be by far the highest inflation in Europe since the Second World War. Owing to the economic blockade, imports into the Federal Republic of Yugoslavia have been drastically reduced and exports are non-existent.

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a/ Official Records of the General Assembly, Forty-eighth Session, Supplement No. 11 (A/48/11).

Proceeding from the above data, it is quite clear that Yugoslavia's capacity to pay has been dramatically reduced and that the rate of assessment of 0.14 per cent which has been determined on the basis of outdated and incorrect statistics of the former Socialist Federal Republic of Yugoslavia is excessive.

The Federal Republic of Yugoslavia is particularly concerned that the Committee on Contributions has decided to defer action on Yugoslavia's request submitted in the letters of the Foreign Minister of Yugoslavia, H.E. Mr. Vladislav Jovanovic, dated 13 March 1993 and 14 May 1993, to the Secretary-General, in which it was requested that the obligations of the former Socialist Federal Republic of Yugoslavia to the regular budget of the United Nations and peace-keeping operations for 1991 and 1992 be separated from the dues of the Federal Republic of Yugoslavia. It is unacceptable that Yugoslavia should be fully responsible for the obligations of the Socialist Federal Republic of Yugoslavia, particularly taking into account that four new Member States of the United Nations have been recognized by the General Assembly and that negotiations on the division of assets and liabilities are taking place within the framework of the International Conference on the Former Yugoslavia. In this context, we deem it both reasonable and logical that the amounts that remain payable as outstanding dues of the former Socialist Federal Republic of Yugoslavia to the regular budget of the United Nations and peace-keeping operations be registered as the joint obligation of the Federal Republic of Yugoslavia and the former republics of the Socialist Federal Republic of Yugoslavia.

The Federal Republic of Yugoslavia has noted that the Committee on Contributions in its deliberations paid great attention to the problem of determining assessment rates for the member States of the so-called Group of 22. Though it is understandable that the Committee did not have the specific legal and political mandate to determine the new assessment rates, it is imperative that a better reflection of the capacity to pay of each particular member of this group of countries be achieved in the formulation of a new scale of assessments.

The Federal Republic of Yugoslavia believes that in the preparations for devising a new scale methodology which would much more accurately reflect the true economic power and capacity of States to pay, it is necessary that the 10-year statistical base period for calculating the national income be shortened to a period of three years. Adding to this, Yugoslavia supports the proposal that a phasing-out of the scheme of limits should be effected since the scheme has proven to be a flawed mechanism as it distorts the capacity to pay, by transferring the burden to the budget from the countries whose economy is growing to those whose economic power is declining.

Yugoslavia supports the proposal that has been put forward during the debate on the scale of assessments in the Fifth Committee during the forty-eighth session of the General Assembly, that the problems of refugee host countries should be taken into account in future scale methodologies. In determining the scale, the heavy debt burden of developing countries should be retained as a criterion for determining assessment rates.

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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

REVIEW AND IMPLEMENTATION OF THE CONCLUDING DOCUMENT OF THE TWELFTH SPECIAL SESSION OF THE GENERAL ASSEMBLY: REGIONAL CONFIDENCE-BUILDING MEASURES

Regional confidence-building measures

Programme budget implications of draft resolution A/C.1/48/L.6

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

1. At its 30th meeting, on 19 November 1993, the First Committee adopted draft resolution A/C.1/48/L.6, by a recorded vote of 141 to 1 with 1 abstention. A statement of programme budget implications was before the Committee in document A/C.1/48/L.52.

A. Requests contained in the draft resolution

2. Under the terms of operative paragraph 6 of draft resolution A/C.1/48/L.6, the General Assembly would request the Secretary-General to continue to provide assistance to the Central African States in implementing the programme of work of the Standing Advisory Committee.

B. Relationship of the request to the approved programme of work

3. The above request is related to major programme I, Maintenance of peace and security, disarmament and decolonization, programme 7, Disarmament, of the medium-term plan for the period 1992-1997, as revised. 1/ Related activities

are reflected under subprogramme 4, Assistance to developing countries on disarmament issues: regional centres; fellowships, training and advisory services, of subsection 3B.3, programme of work, "Disarmament", of the proposed programme budget for the biennium 1994-1995. 2/

C. Activities by which the request would be implemented

4. It is recalled that the General Assembly, in its resolution 46/37 B of 6 December 1991, welcomed the initiative taken by the States members of the Economic Community of Central African States with a view to developing confidence-building measures, disarmament and development in their subregion, by, in particular, the creation of a standing advisory committee on security questions in Central Africa under the auspices of the United Nations. In paragraph 3 of that resolution the General Assembly requested the Secretary-General to continue providing assistance to the Central African States by, in particular, establishing the standing advisory committee on security questions in Central Africa.

5. It is further recalled that, in the oral statement of the Secretariat concerning the responsibilities entrusted to the Secretary-General under draft resolution A/C.1/46/L.6, the First Committee was informed that the Secretary-General would provide assistance in holding the organizational meeting of the standing advisory committee on security questions in Central Africa for five days in early 1992 in Yaounde. It was further indicated that the related requirements were estimated at $90,000 and that the Secretary-General would endeavour to cover these costs from extrabudgetary resources. Therefore, no additional appropriation was requested under section 5 of the proposed programme budget for the biennium 1992-1993.

6. The ministerial-level organizational meeting of the standing advisory committee was convened by the Secretary-General in July 1992 and financed from the Trust Fund for Global and Regional Disarmament Activities. At that meeting the Committee decided that its offices should be held by rotation for a period of six months. Accordingly, the 1993 meetings were held at Burundi and Gabon, then the Vice-Chairs of the Committee. The cost of the meetings was covered by the United Nations regular budget in the amount of $148,400.

7. Following the procedural decisions which the Committee adopted at its ministerial-level organizational meeting in July 1992, the offices of the Committee continue to be held by rotation for a period of six months. Accordingly, Congo and Angola, currently Vice-Chairs of the Committee, are expected to hold the chairmanship in 1994. Furthermore, in accordance with the Committee's programme of work and its procedures, deliberations would take place at different levels, including meetings of experts (high-level military and civilian officials), ministerial meetings and talks between the heads of State concerned at their annual meetings in the context of the Economic Community of Central African States.

8. The Secretariat understands that the assistance of the Secretary-General sought by the sponsors of the draft resolution would, as in the past, consist of convening two meetings of the Committee in 1994 and that all relevant costs of

convening and holding the meetings would have to be borne by the regular budget of the United Nations.

9. The Secretary-General further understands that each meeting would be held in the countries chairing the Committee at the time of the respective meetings. Thus, the first meeting would be convened at Brazzaville, Congo, in early 1994, and the second one would be held at Luanda, Angola, six months later. The duration of each meeting would be five consecutive days and they would comprise two parts. The first part would last three days and would involve the participation of two experts (one civilian and one military) from each State member of the Economic Community of Central African States, a total of 22 participants. The second part of the meeting would be held in the remaining two days and would involve, in addition to the experts, one additional participant from each State member of the Community at the ministerial level.

10. In endorsing recommendation 4 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations, 3/ the General Assembly, by its resolution 41/213 of 19 December 1986 reaffirmed the existing principle that United Nations bodies should meet at their respective established headquarters. In this case, therefore, the meetings should normally have been convened at Addis Ababa, as the regional headquarters of the United Nations. Since the sponsors of the draft resolution intend to have the meetings held at Brazzaville and Luanda, an exception to this principle would be required. In addition, the payment of travel and subsistence costs to governmental representatives at the meetings, as was the case in 1993, would require an exception to the general principle that only members of United Nations organs or subsidiary organs serving in their individual capacities should receive such reimbursements.

D. Modifications required in the approved programme of work for 1994-1995

11. The activities called for by the draft resolution would fall under activities 1 (a) (ii) and 1 (b) of subprogramme 4, "Assistance to developing countries on disarmament issues: regional centres; fellowships, training and advisory services" of subsection 3B.3, programme of work, "Disarmament", of the proposed programme budget for the biennium 1994-1995. 2/ Accordingly, no modifications would be required.

E. Additional requirements at full cost

12. The requirements to undertake the activities described in paragraphs 8 and 9 above are estimated as follows.

1. Meeting at Brazzaville (five days, 1994)

		$
(a)	Conference-servicing costs	
	1. Rental of conference room	7 000
	2. Interpretation (E,F)	6 000
	3. Rental of office equipment	1 000
	Subtotal (a)	14 000
(b)	Non-conference-servicing costs	
	1. Travel and daily subsistence allowance for 22 experts for attendance for six days	41 000
	2. Travel and daily subsistence allowance for 11 governmental representatives at the ministerial level for attendance for three days	14 900
	3. Travel and daily subsistence allowance for two staff members from New York - the Secretary of the Committee and one General Service staff from the Centre for Disarmament Affairs - and one staff member from the United Nations Regional Centre for Peace and Disarmament at Lomé	14 300
	Subtotal (b)	70 200
	Total 1 (a) + (b)	84 200

2. Meeting at Luanda (five days, 1994)

		$
(a)	Conference-servicing costs	
	1. Rental of conference room	7 700
	2. Interpretation (E,F)	6 600
	3. Rental of office equipment	1 200
	Subtotal (a)	15 500
(b)	Non-conference-servicing costs	
	1. Travel and daily subsistence allowance for 22 experts for attendance for five days	65 200
	2. Travel and daily subsistence allowance for 11 governmental representatives at the ministerial level for attendance for three days	22 700
	3. Travel and daily subsistence allowance for two staff members from New York - the Secretary of the Committee and one General Service staff from the Centre for Disarmament Affairs - and one staff member from the United Nations Regional Centre for Peace and Disarmament at Lomé	19 200
	Subtotal (b)	107 100
	Total 2 (a) + (b)	122 600
	Grand total 1 and 2	206 800

F. Potential for absorption

13. Provision has been made in the proposed programme budget for the biennium 1994-1995 to undertake the activities enumerated in section C above. No additional appropriation would therefore be required.

G. Indication of additional requirements

14. Accordingly, should the General Assembly adopt draft resolution A/C.1/48/L.6, no additional requirements would arise under the proposed programme budget for the biennium 1994-1995. The General Assembly would, however, need to grant an exception to allow the meetings to be held away from established United Nations headquarters sites and to pay for travel and subsistence costs of governmental representatives.

Notes

1/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 6 (A/47/6/Rev.1 and corrigendum), vol. I.

2/ A/48/6 (Sect. 3B).

3/ Official Records of the General Assembly, Forty-first Session, Supplement No. 49 (A/41/49).

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Forty-eighth session
FIFTH COMMITTEE
Agenda items 123 and 82

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

IMPLEMENTATION OF THE DECLARATION ON THE DENUCLEARIZATION OF AFRICA

Establishment of a nuclear-weapon-free zone in Africa

Programme budget implications of draft resolution A/C.1/48/L.19

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

1. At its 30th meeting, on 19 November 1993, the First Committee adopted draft resolution A/C.1/48/L.19 without a vote. A statement of programme budget implications was before the Committee in document A/C.1/48/L.53.

A. Requests contained in the draft resolution

2. Under the terms of operative paragraph 7 of draft resolution A/C.1/48/L.19, the General Assembly would request the Secretary-General, in consultation with the Organization of African Unity (OAU), to take appropriate action to enable the Group of Experts designated by the United Nations in cooperation with OAU to meet during 1994 at Windhoek and Addis Ababa, in order to finalize the drafting of a treaty on a nuclear-weapon-free zone in Africa, and to submit the text of the treaty to the General Assembly at its forty-ninth session under an agenda item entitled, "Final text of a treaty on an African nuclear-weapon-free zone".

B. Relationship of the request to the approved programme of work

3. The above request is related to major programme I, Maintenance of peace and security, disarmament and decolonization, programme 7, Disarmament, of the revised medium-term plan for the period 1992-1997, 1/ and subsection 3

(Department of Political Affairs), of section 3 (Political Affairs), of the proposed programme budget for the biennium 1994-1995. 2/

C. Activities by which the request would be implemented

4. Should the General Assembly adopt the draft resolution, the Secretary-General would organize a two-week session in February 1994 at Windhoek, and a five-day session in April/May 1994 at Addis Ababa, for the group of 12 experts. In endorsing recommendation 4 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations 3/ the General Assembly in its resolution 41/213 of 19 December 1986 reaffirmed the existing principle that United Nations bodies should meet at their respective established headquarters. In the present case, both meetings should normally have been convened at Addis Ababa, as the regional headquarters of the United Nations; therefore, an exception to this principle would be required in respect of the meeting to be convened at Windhoek.

5. It is the understanding of the Secretary-General that the Office of Conference Services would not be requested to provide conference services directly, but that the regular budget of the United Nations would bear all costs related to the convening of the two sessions, namely, conference-servicing, travel and daily subsistence for the experts and appropriate substantive support services to the Group of Experts.

D. Modifications required in the proposed programme of work for 1994-1995

6. The submission of the report to the General Assembly called for by the draft resolution would fall under activity 2 (a), "Parliamentary documentation", of subprogramme 1 of subsection 3B, programme of work "Disarmament", of the proposed programme budget for the biennium 1994-1995. With regard to the substantive servicing of the Group of Experts, it would be necessary to add the following citation under activity 2 (b), "Substantive services" of subprogramme 1 of the programme of work "Disarmament", of the proposed programme budget for the biennium 1994-1995:

"(v) Group of Experts designated in 1991 by the United Nations in cooperation with OAU within the framework of the implementation of General Assembly resolution 45/56 A (two sessions in 1994)."

E. Additional requirements at full cost

7. The requirements related to the activities described in paragraphs 4 and 5 above are estimated at full cost as follows.

1. Meeting at Windhoek, Namibia (two weeks, 1994)

		$
(a)	Conference-servicing costs	
(i)	Rental of conference room	6 000
(ii)	Interpretation (E,F)	12 000
(iii)	Rental of office equipment	1 000
(iv)	Translation (E,F)	1 900
	Subtotal (a)	20 900
(b)	Non-conference-servicing costs	
(i)	Travel and daily subsistence allowance for 12 experts	51 000
(ii)	Travel and daily subsistence allowance for 2 staff members (1 Professional and 1 General Service) from the Centre for Disarmament Affairs	13 900
	Subtotal (b)	64 900
	Total I, (a) and (b)	85 800

2. Meeting at Addis Ababa, Ethiopia (five days, 1994)

(a)	Conference-servicing costs	
	Interpretation (E,F)	6 000
(b)	Non-conference-servicing costs	
(i)	Travel and daily subsistence allowance for 12 experts	33 700
(ii)	Travel and daily subsistence allowance for 2 staff members (1 Professional and 1 General Service) from the Centre for Disarmament Affairs	10 100
	Subtotal (b)	43 800
	Total II, (a) and (b)	49 800
	Grand total I and II	135 600

F. Potential for absorption

8. The Centre for Disarmament Affairs of the Department of Political Affairs would make use of its resources under ad hoc expert groups ($84,700), travel of staff ($24,000) and general operating expenses ($26,900) to provide the necessary services to the meetings. No additional appropriation would therefore be required.

G. Indication of additional requirements

9. Accordingly, should the General Assembly adopt draft resolution A/C.1/48/L.19, no additional requirements would arise under section 3B of the proposed programme budget for the biennium 1994-1995. The General Assembly would, however, need to grant an exception to its principle that United Nations bodies should meet at their respective established headquarters regarding the meeting to be convened at Windhoek.

Notes

1/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 6 (A/47/6/Rev.1), vol. I.

2/ A/48/6 (Sect. 3).

3/ See Official Records of the General Assembly, Forty-first Session, Supplement No. 49 (A/41/49), chap. II.A.

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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995

COMPREHENSIVE NUCLEAR-TEST BAN TREATY

REVIEW OF THE IMPLEMENTATION OF THE RECOMMENDATIONS AND DECISIONS ADOPTED BY THE GENERAL ASSEMBLY AT ITS TENTH SPECIAL SESSION: REPORT OF THE CONFERENCE ON DISARMAMENT

Comprehensive nuclear-test ban treaty

Report of the Conference on Disarmament

Programme budget implications of draft resolutions A/C.1/48/L.40 and L.41

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

1. At its 30th meeting, on 19 November 1993, the First Committee adopted draft resolutions A/C.1/48/L.40 and A/C.1/48/L.41, without a vote. A statement of programme budget implications was before the Committee in document A/C.1/48/L.55.

A. Requests contained in the draft resolution

2. Under the terms of operative paragraph 3 of draft resolution A/C.1/48/L.40, the General Assembly would urge the Conference on Disarmament at the commencement of its 1994 session to re-establish, with an appropriate negotiating mandate, the Ad Hoc Committee on item 1 of its agenda, entitled "Nuclear-test ban".

3. Under the terms of operative paragraph 5 of draft resolution A/C.1/48/L.40, the General Assembly would urge also the Conference on Disarmament to proceed intensively, as a priority task, in its negotiation of a universal and internationally and effectively verifiable test-ban treaty.

4. Under the terms of operative paragraph 6 of draft resolution A/C.1/48/L.40 and operative paragraph 6 of draft resolution A/C.1/48/L.41, the General Assembly would request the Secretary-General to ensure the provision, to the Conference on Disarmament, of additional administrative, substantive and conference support services for its negotiations.

B. Relationship of the request to the proposed programme of work

5. The above request is related to major programme I, Maintenance of peace and security, disarmament and decolonization, programme 7, Disarmament, of the revised medium-term plan for the period 1992-1997, 1/ and programme of activity "Disarmament" of subsection 3B, Department of Political Affairs I, section 3, Political affairs, of the proposed programme budget for the biennium 1994-1995. 2/

C. Activities by which the request would be implemented

6. Should the General Assembly adopt the draft resolutions, the Secretary-General would have to provide the required support to the Ad Hoc Committee on a Nuclear-Test Ban, which is expected to be re-established by the Conference on Disarmament at the commencement of its 1994 session, and to the negotiation of a universal and internationally and effectively verifiable comprehensive test-ban treaty. This would require the provision to the Geneva Branch of the Centre for Disarmament Affairs in 1994 of additional general temporary assistance funds in the total amount of $184,000 in order to cover the services of one P-5 ($118,100) and one General Service (Other level) ($65,900) staff for a period of 10 work-months each. The Conference on Disarmament will also be provided with adequate conference services for the inter-sessional meetings on negotiations on the nuclear-test-ban Treaty in the Ad Hoc Committee on a Nuclear-Test Ban, including documentation and interpretation in all six official languages. It is anticipated that the inter-sessional meetings would require in 1994 conference services for seven meetings per week during the following periods: 5 April-6 May, 4-22 July, 12 September-7 October and 28 November-16 December. It is understood that the Conference on Disarmament may decide to adjust these dates depending on the status of negotiations.

D. Modifications required in the proposed programme of work for 1994-1995

7. The activities called for by the draft resolutions would fall under paragraph 2 (b) (iii) of subprogramme 1 of subsection 3B/3, Department of Political Affairs I, of the proposed programme budget for the biennium 1994-1995. Accordingly, no modifications would be required.

E. Additional requirements at full cost

8. The implementation of the requests contained in operative paragraph 6 of draft resolution A/C.1/48/L.40 and operative paragraph 6 of draft resolution A/C.1/48/L.41 would require a total additional provision of $184,000 under general temporary assistance, as follows:

	Thousands of United States dollars
Salary and common staff costs of one P-5 staff for 10 work-months in 1994	118.1
Salary and common staff costs of one General Service (Other level) staff for 10 work-months in 1994	65.9
Total	184.0

In addition, it is estimated that $51,500 would be required under section 28 (Staff assessment), to be offset by the same amount under income section 1 (Income from staff assessment). It is envisaged that the provision of conference services for the inter-sessional meetings on negotiations on the Nuclear-Test Ban Treaty in the Ad Hoc Committee on a Nuclear-Test Ban, including provision of documentation and interpretation in all six official languages, will be made from within resources programmed under subsection 25E, Office of Conference Services, of the proposed programme budget for the biennium 1994-1995. Accordingly, no additional requirements for conference services would arise. Requirements relating to substantive and conference services for the Conference on Disarmament in 1995 will be reviewed during 1994 in the light of the evolving workload and, if necessary, a further report would be submitted for consideration by the General Assembly at its forty-ninth session.

F. Potential for absorption

9. No provision has been made in the proposed programme budget for the biennium 1994-1995 under subsection 3B, Department of Political Affairs I, of section 3, Political affairs, to cover the estimated additional requirements of $184,000 related to the provision of additional support to the Conference on Disarmament. Therefore, it is not anticipated that the cost of $184,000 would be absorbed from within the provision under subsection 3B of the proposed programme budget for the biennium 1994-1995.

G. Indication of additional requirements

10. Accordingly, should the General Assembly adopt draft resolutions A/C.1/48/L.40 and A/C.1/48/L.41, it is estimated that additional requirements of $184,000 for general temporary assistance would arise under subsection 3B of the proposed programme budget for the biennium 1994-1995. Furthermore, an amount of

$51,500 would be required under section 28 (Staff assessment), to be offset by the same amount under income section 1 (Income from staff assessment).

H. Contingency fund

11. It will be recalled that under the procedure established by the General Assembly in its resolution 41/213 of 19 December 1986, a contingency fund is established each biennium to accommodate additional expenditures derived from the legislative mandates not provided for in the proposed programme budget. Under the same procedure, if additional expenditures are proposed that exceed resources available from the contingency fund, these activities can be implemented only through redeployment of resources available from low-priority areas or modification of existing activities. Otherwise, such additional activities will have to be deferred until a later biennium. A consolidated statement of all programme budget implications and revised estimates will be submitted to the General Assembly towards the end of the current session.

12. Should it not prove possible to meet the costs required from the contingency fund, the implementation of the draft resolutions would have to be effected either through termination, deferral, curtailment or modification of some activities related to subprogrammes 2, Publications and United Nations Disarmament Information Programme, and 3, Monitoring, analysis and studies, programmed under subsection 3B of the proposed programme budget for the biennium 1994-1995, as these two subprogrammes are not designated high priority in the revised medium-term plan for the period 1992-1997, or the implementation would have to be postponed, as provided for in the guidelines for the use and operation of the contingency fund adopted by the General Assembly in resolution 42/211 of 21 December 1987.

I. Summary

13. Should the General Assembly adopt draft resolutions A/C.1/48/L.40 and A/C.1/48/L.41, it is estimated that additional appropriations of $184,000 would be required for general temporary assistance under subsection 3B of the proposed programme budget for the biennium 1994-1995 for the servicing of the Conference on Disarmament in 1994. Furthermore, an amount of $51,500 would be required under section 28 (Staff assessment), to be offset by the same amount under income section 1 (Income from staff assessment).

Notes

1/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 6 (A/47/6/Rev.1), vol. I.

2/ Ibid., Forty-eighth Session, Supplement No. 6 (A/48/6 (Sect. 3B)).

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FIFTH COMMITTEE
Agenda item 121

REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Letter dated 24 November 1993 from the Permanent Representative of the United States of America to the United Nations addressed to the Secretary-General

I have the honour to transmit to you the enclosed United States paper on the Office of the Inspector General, which I ask that you circulate at the forty-eighth session of the General Assembly as a document of the Fifth Committee, under agenda item 121, "Review of the efficiency of the administrative and financial functioning of the United Nations".

(Signed) Madeleine K. ALBRIGHT

Annex

OFFICE OF THE INSPECTOR GENERAL

Introduction

Given the increased importance of the United Nations for the world community and the expanding complexity and scope of United Nations programmes, particularly in the area of peace-keeping, improved oversight is required to ensure effective use of resources contributed by Member States. The improved oversight would serve to: (1) promote economy, efficiency and effectiveness in the administration of the programmes and operations of the United Nations, (2) ensure a systematic approach to programme evaluation, (3) prevent and detect fraud, waste and abuse in the programmes and operations and (4) keep the Secretary-General and the General Assembly fully informed of any deficiencies, and of the progress of corrective actions under way regarding previously identified problems and deficiencies.

The problem

Existing oversight mechanisms do not meet the current needs of the United Nations in the light of its increased responsibilities, as documented effectively in the Joint Inspection Unit (JIU) report on "Accountability and oversight in the United Nations Secretariat" (JIU/REP/93/5). The internal oversight mechanisms of the United Nations lack the independence, size and qualifications to address adequately concerns related to the quality and performance of United Nations programmes and to bring these matters to the attention of Member States. We welcome the Secretary-General's recent decision to establish an Office for Inspections and Investigations and note his statement that this constitutes the first step in the process of creating a high-level oversight post with broader audit, evaluation and investigation authority.

Although there have been good reports from the external oversight mechanisms of the United Nations, the overall impact of these external mechanisms has not met the needs of the Organization. For more than a decade, reports of the Board of Auditors usefully have taken note of recurring wasteful practices and irregularities in the procurement operations of the United Nations, its hiring of experts and consultants and its safeguarding of property, plant and equipment. Despite resolutions from the General Assembly for corrective action, little progress has until now been achieved in correcting the situations noted.

While individual reports from the Joint Inspection Unit have been informative, the overall impact has been less than intended when the Unit was established. This reflects, inter alia, the uneven quality of some JIU reports, JIU's inability to require the cooperation of Secretariat officials and the failure of governing bodies to require compliance with approved JIU recommendations.

The plethora of current oversight mechanisms is marked by an overlapping of roles with a resulting fragmentation and diffusion of responsibility, a lack of sufficient resources and an absence of effective coordination among the units. As noted in the JIU report on "Accountability and oversight in the United

Nations Secretariat" (ibid.), just adding resources to these existing mechanisms is unlikely to ensure better results.

A better approach

A better approach is needed that concentrates Secretariat and selected expert body functions in a single, independent oversight authority and management advisory service. This new consolidated mechanism would provide Member States with the means necessary to ensure that resources are used wisely and programmes are carried out effectively. This authority would support the work of relevant intergovernmental bodies by undertaking detailed, timely and rigorous reviews of activities and resources, thus obviating the need for "micro-management" by Member States.

This new consolidated mechanism would be responsible for providing to management independent advice by examining all activities carried out at all United Nations headquarters and field locations financed from the regular budget, peace-keeping budgets and voluntary contributions. The overriding purpose would be to enhance the executive capacity and accountability of the Secretary-General and other executive heads of major United Nations programmes such as the Administrator of the United Nations Development Programme (UNDP), the Executive Director of the United Nations Children's Fund (UNICEF) and the United Nations High Commissioner for Refugees. At the same time, the new mechanism would have external reporting responsibilities.

The proposed Office of the Inspector General would be created through the merger of resources and functions now allocated to existing units and offices and the creation of new units for compliance review and investigation.

The role of the Board of Auditors would be modified. The Board of Auditors would maintain oversight of the process for preparing the accounts to assure accuracy and complete reporting. The Board would attest to the fair presentation of the accounts of the United Nations and the accounts of other organizations and programmes established by the General Assembly. The Board would examine the adequacy of accounting policies and internal controls and ensure that satisfactory procedures have been applied to the recording of all assets, liabilities, surpluses and deficits. The Board also would review the Inspector General's audit and evaluation plans. The Board would no longer undertake detailed management audits. This responsibility would be transferred to the Inspector General. This change for the Board of Auditors would allow for a significant proportion of resources now allocated to the Board to be transferred to the Office of the Inspector General.

The Joint Inspection Unit would coordinate its work programme with the Office of the Inspector General to prevent duplication in the examination of United Nations programmes and operations. Reflecting the fact that JIU is the only oversight mechanism with a United Nations system-wide mandate, the JIU examination of United Nations activities would emphasize those system-wide issues being addressed by JIU. JIU, of course, would continue to examine activities of other agencies of the United Nations system as it has in the past. This reduction in the role of JIU may allow for the transfer to the Office of the Inspector General of a portion of the contribution now made by the United Nations to JIU. Once the Office of the Inspector General is well established,

the relationship of JIU to the Office of the Inspector General should be reconsidered.

The Advisory Committee on Administrative and Budgetary Questions (ACABQ) would continue to exercise its existing authorities over management and budget issues. Copies of reports of the Office of the Inspector General could be submitted to the Advisory Committee, if the reports were relevant to the work of the Committee.

Appointment and removal of the Inspector General

The Inspector General should be an internationally recognized expert in accounting, auditing, financial or management analysis, law, public administration or investigations. The Inspector General shall receive the salary and emoluments paid at a level equivalent to that of the Administrator of UNDP.

Candidacies for the post of Inspector General shall be forwarded to the Secretary-General, who will submit them to the International Organization of Supreme Audit Institutions (INTOSAI). INTOSAI, in consultation with the Board of Auditors, shall review the qualifications of candidates and submit a list of those who meet the standards of the position to the Secretary-General. The Inspector General shall be appointed by the Secretary-General and approved by a two-thirds majority of the General Assembly for a term of six years non-renewable. Only the General Assembly shall have the power to remove the Inspector General from office, by a two-thirds majority.

Organization and functions of the Office of the Inspector General

An independent Office of the Inspector General would be comprised of offices of Inspections, Audits and Programme Evaluations, Compliance and Investigations. The Office of the Inspector General would function in support of Member States and the Secretary-General. In particular, the Office of the Inspector General would perform audit functions, as well as advising the Secretary-General, as appropriate, on internal matters.

Inspections: Review an organization as an entity, examining all aspects of the operation of a specific field office, department or office; provide information about the quality of management and operations; encourage self-evaluation and correction; provide counselling and helpful advice; identify problems and recommend solutions.

Audits and programme evaluations: Examine the management and financial operations of a single function of programme in great detail at locations throughout Headquarters and field offices; determine the economy and efficiency with which the function or programme is managed and the results achieved; evaluate programme effectiveness; assess compliance with regulations and policies in carrying out the programme or function; recommend improvements in the management and conduct of the programme or function.

Compliance: Periodically review measures taken to implement recommendations as a result of audits and inspections.

Investigations: Act on all reported forms of official misconduct, malfeasance and other violations of United Nations regulations and rules; maintain confidential reporting mechanisms to permit staff to report cases of possible mismanagement or misconduct without fear of retaliation; report all findings to the Under-Secretary-General for Administration and Management to ensure that falsely accused employees are fully cleared of any negative effects and disciplinary procedures are implemented in cases where evidence of wrongdoing emerges.

Operating authority

The Inspector General, although an integral part of the Secretariat, would carry out his/her duties and responsibilities entirely independent of the Secretariat and all United Nations governing bodies.

The General Assembly shall delegate irrevocably to the Inspector General the necessary authorities to ensure that the functions and duties of the office are fully implemented. These authorities include:

- Access to any Secretariat official, in order to discuss issues falling within the purview of the Office, or the conduct of official business;

- Confidential access to all records, reports, audits, documents, reviews or other materials deemed necessary or desirable for the successful completion of any inspection, audit or investigation being undertaken; once provided, the Office of the Inspector General shall respect the privileged and confidential nature of such information which has been made available and shall not make any use of it except in direct connection with official proceedings;

- Implementation of necessary measures to ensure compliance whenever information or assistance requested is unreasonably refused, delayed or not provided;

- Investigation of complaints or information from employees, or Member States concerning possible violations of United Nations regulations and rules, waste, mismanagement or abuse of authority or programme funding; such investigations shall follow procedures to ensure that staff members' rights to due process are respected;

- Establishment of measures to protect the identity of any staff member making a complaint or disclosing information in order to preclude reprisal.

Recommendations of the Office of the Inspector General must be accepted by the programme manager, accomplished by the programme manager and closed out to the satisfaction of the Office of the Inspector General. If the programme manager disagrees with the recommendations, he must work with the Inspector General to achieve another solution to the management problem, and then satisfy that recommendation. In the rare instances when the programme manager and the Office of the Inspector General cannot agree on an appropriate course of action, the matter will be referred to the Secretary-General for resolution. Recommendations that remain outstanding after the implementation period will be referred to the Secretary-general and reported to the General Assembly.

Reporting

Annual reports on operations of the Office of the Inspector General shall be submitted to the Secretary-General by 1 June. The Secretary-General will have 45 days to transmit the annual report, without making any changes, to the General Assembly together with his report commenting on findings of the Office of the Inspector General and the status of outstanding recommendations. This reporting procedure reflects a careful balance between the independence of the Inspector General and the full accountability of the Secretary-General, as the chief administrative officer of the Organization, for assuring the effective and efficient operation of the United Nations, and for implementing recommendations of the Inspector General. The annual reports shall highlight major problem areas in United Nations operations and programmes for the preceding calendar year; summarize the significant activities and major findings and recommendations of the Office of the Inspector General and the results of investigations of the Office of the Inspector General with a listing of each audit, inspection and investigation report; and provide a statistical summary of accomplishments of the Office of the Inspector General, of the status of reports and recommendations of the Office and of costs and savings related to recommendations of the Office.

Special reports shall be issued by the Office of the Inspector General to the Secretary-General when serious violations of regulations and rules or cases of gross mismanagement have been identified.

Reports of each audit, inspection and investigation, including recommendations for corrective actions, shall be forwarded, in writing, to the Secretary-General or to the appropriate executive head of a major programme, with copies sent to the appropriate chief administrative officer, those responsible for management of the programme or operation involved and to the Advisory Committee on Administrative and Budgetary Questions, if the reports are relevant to the work of the Committee.

As appropriate, the Secretary-General, ACABQ and the General Assembly may request the Office of the Inspector General to perform specific audits, inspections or investigations. Requests for the assistance of the Office of the Inspector General from ACABQ and the General Assembly shall be transmitted through the Secretary-General.

Budget and staffing

Resources would be provided from the regular budget, from peace-keeping budgets and from budgets for programmes supported by voluntary contributions. The staffing requirements for the Office of the Inspector General will be determined by the detailed mandate and specific work requirements to be established for the new Office. Certainly, there ultimately will need to be well more than the 62 Professional and higher categories of staff now assigned to the four oversight units consolidated into the Office for Inspections and Investigations. However, it would appear appropriate to initiate operations of the Office of the Inspector General with Professional and higher categories of staff in the range of 75 to 100, with the expectation that the full number required will evolve over time as experience is gained and procedures are developed.

A new budget section will be created for presenting estimates for the activities of the Office of the Inspector General, the Board of Auditors, JIU and ACABQ. This will allow for coordinated review of all oversight mechanisms. Independent of the Secretary-General, the Inspector General shall submit his budget request directly to the General Assembly, with Board of Auditors and ACABQ comments, as appropriate.

Resources shall be adequate to ensure that all United Nations functions, programmes and departments can be thoroughly examined at least every five years.

Staff shall be selected on the basis of strict standards of competence through competitive examination in the fields of auditing, financial or management analysis, public administration, investigations and law. Staff shall also be selected on the basis of equitable geographic distribution. In order to maintain the independence of the Office, staff shall receive pay and benefits commensurate with those of the common system.

While a majority of the staff of the Office of the Inspector General over time should be career permanent appointments in order to ensure an institutional memory for the Office, the Office is encouraged to seek and accept seconded personnel from national Governments in order to facilitate the placement of qualified and experienced personnel, especially as the Office of the Inspector General is first being established. Maintaining a strong proportion of professional staff of the Office of the Inspector General as secondments would allow for a steady turnover of staff which would enhance the independence of the Office and provide needed current expertise.

Appendix

MANAGEMENT INITIATIVES

The following is a summary of management initiatives to be considered in addition to the proposal for an Office of Inspector General.

Conditions of service. Limit service of executive heads and all other elected officials of the United Nations and its specialized agencies and programmes to two consecutive terms of office.

Code of conduct. The general duties and obligations of the United Nations staff are set forth in the Charter of the United Nations and further elaborated in the Staff Regulations and Rules. The Staff Regulations and Rules also form the "law" relating to the conduct of the staff. As not all compensated officials of the United Nations are covered by the Staff Regulations and Rules, we plan to submit for consideration a proposal which will establish a code of conduct for all officials receiving compensation from the United Nations.

Financial disclosure statement. Require all senior-level officials at the D-1 level and above as well as staff in critical positions, i.e., contract and procurement officers, to submit an ethics disclosure statement. The information provided in the statement would allow the Organization to determine if the financial interests of the staff member conflict with his/her official duties and responsibilities. Such a statement would be promulgated by the Secretary-General.

Classification standards for senior-level posts. Request the International Civil Service Commission to establish classification standards for all posts at the D-1 level and above.

Review of recruitment standards and practices. The International Civil Service Commission should be requested to review existing recruitment standards and practices used by United Nations agencies for bringing staff into the common system, and to recommend changes and improvements that may be required in order for the United Nations system to meet the growing demands placed upon it.

Fixed-term vs. permanent appointments. There should be a fresh look at identifying the proper balance in the Secretariat between fixed-term and permanent appointments.

Managerial training. Require all supervisors to attend management courses which emphasize their responsibilities in and provide instruction on evaluating, rewarding and improving staff performance. Similarly, the courses should guide supervisors on the policies and methodologies for terminating staff for inadequate performance.

System procurement facility. There should be greater effort by the different components of the United Nations and the agencies of the United Nations system to establish an effective system-wide procurement facility.

Modern office technologies. Improved use of modern office technologies in the Secretariat should be encouraged in order to reduce administrative overhead costs.

Internal controls. All managers must establish cost-effective systems of management controls to ensure that United Nations activities are managed effectively, efficiently, economically and with integrity. Each manager and supervisor, whether in accounting, administration, programme or budget, is responsible for ensuring adequate management controls.

Contingency planning. Since payments of assessed contributions regularly fall short of actual assessments, the United Nations should develop plans to reduce spending levels to actual or anticipated income. This would encourage budgetary discipline and fiscal responsibility in the Secretariat by targeting for reduction unnecessary programmes and administrative costs.

Common accounting standards. There is no uniform set of accounting principles and standards for application among United Nations agencies. This lack of standardization makes it virtually impossible to make meaningful comparisons of financial and budgetary data among these organizations. The General Assembly, ACABQ and Panel of External Auditors have strongly urged United Nations agencies and programmes to develop and implement such standards in order to enhance the transparency of financial statements and increase their utility.